

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

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POSTAL RATE AND FEE CHANGES, 2001

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Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE  
WITNESS KIEFER TO INTERROGATORY OF  
THE OFFICE OF THE CONSUMER ADVOCATE  
(OCA/USPS-T33-1)

The United States Postal Service hereby files the response of witness Kiefer to the following interrogatory of the Office of the Consumer Advocate: OCA/USPS-T33-1, filed on December 10, 2001.

The interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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Scott L. Reiter

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December 19, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS KIEFER  
TO INTEROGATORIES OF THE OFFICE OF THE CONSUMER ADVOCATE**

**OCA/USPS-T33-1.** Please refer to USPS-T-33 at 12, l. 5-10. You propose to make electronic Delivery Confirmation available to Parcel Select customers on a no-fee basis (by bundling the costs in the Parcel Select rates).

- (a) Did you consider offering electronic Delivery Confirmation to retail Parcel Post customers on a no-fee basis by absorbing such costs into the rates paid by retail Parcel Post? If so, why wasn't such a proposal included in your testimony?
- (b) Are you aware that while retail Priority Mail customers generally pay a fee for manual Delivery Confirmation there is a no-fee electronic option available to them when they print a Priority Mail/Delivery Confirmation label at the Postal Service's website, specifically at [http://www.usps.com/cgi-bin/api/shipping\\_label.cgi](http://www.usps.com/cgi-bin/api/shipping_label.cgi)? (The form that Priority Mail retail customers use is attached to this set of interrogatories).
- (c) Assuming that the Commission recommends the no-fee electronic Delivery Confirmation option for Parcel Select mailers that you propose, do you agree that making this option available to retail Parcel Post customers (at the USPS website in a manner similar to Priority Mail) creates parity both with the Parcel Select customers and with retail Priority Mail customers? If not, please explain fully.

**RESPONSE**

- (a) While the initiative for offering Delivery Confirmation to Parcel Select on a no-fee basis came from commercial parcel shippers, the Postal Service did consider expanding the service to retail Parcel Post as well. After considering a number of factors and implications of the expansion, it was decided to limit the no-fee service to Parcel Select. One factor was the absence of any strong call coming from retail Parcel Post users for this kind of service expansion. Strong demand is important because no-fee Delivery Confirmation leads to higher postage rates for customers. A further important reason was the concern that bundling the Delivery Confirmation costs into retail Parcel Post would push up retail rates, which were already the object of substantial rate increases. (Delivery Confirmation costs for Parcel Select are reflected in the proposed Parcel Select rates. USPS-T-33 at 15.) Another factor was the realization that expansion of no-fee Delivery Confirmation to retail Parcel Post might have significant implications for similar expansions to other parcel subclasses and other classifications which contain parcels. The Postal Service would want to give

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these issues more thorough consideration before proposing to go beyond the proposed expansion.

- (b) Yes. I'm also aware that the cost of no-fee electronic Delivery Confirmation is built into the base costs of Priority Mail. Similar costs are not built into the base cost of retail Parcel Post.
- (c) Having no-fee Delivery Confirmation available to retail Parcel Post as well as Parcel Select and retail Priority Mail might create "parity" in that it narrows the service differences and blurs the distinctions between retail Parcel Post and these two other broad categories. This could be especially true for closer in zones where parcels from all of these categories are transported by surface. I'm not convinced that such "parity" is warranted at this time. For the reasons mentioned in subparts (a) and (b), the Postal Service does not believe there is sufficient reason to expand the service beyond our current proposal at this time.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

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Scott L. Reiter

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